

REPORT | Q2 2025

GRI DELHI RESIDENTIAL 2025

Exclusive insights on the housing and luxury
markets in India's most populous city

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INTRODUCTION

Since 1998, GRI Club's exclusive networking events have been providing unique opportunities for the industry's decision makers to exchange valuable insights and experiences, igniting deal flow and potential using the real estate market.

GRI Club reports provide the key takeaways from these events, including the most valuable insights, the most ardent discussions, and the most intriguing strategies.

This report presents the insights from **GRI Delhi Residential 2025**, a **GRI Club India** conference that brought together top industry leaders active in the region to exchange insights on investor sentiment, emerging trends, consumer behaviour, and long-term growth strategies.



CHECK OUT ALL THE PHOTOS FROM **GRI DELHI RESIDENTIAL 2025** 

DELHI RESIDENTIAL MARKET OUTLOOK

The Delhi NCR residential market is set for significant transformations, driven by strong economic activity, strategic infrastructure developments, and an increasing influx of knowledge workers.

In 2024, the market saw over INR 113 billion in land transactions, marking a peak for the region and highlighting its appeal to institutional investors. Of the 36 deals completed last year, the majority were in Gurugram and Noida, where land acquisition dynamics have shifted towards auctions and upfront payments.

Further demonstrating the strong post-pandemic market recovery, unsold inventory decreased by 25% in 2023 and further dropped by 10% in 2024, reflecting a healthy absorption rate and the growing confidence of both developers and buyers.

In parallel, as corporate hubs continue to grow, office market activity remains a crucial driver of residential demand. The expansion of new office developments is projected to generate a steady migration of employees, further boosting the need for housing in these areas

» Gurugram & Noida

Residential sales in NCR remained strong, with approximately 50,000 units sold in 2024. Gurugram, which accounted for nearly 45% of these sales, maintained its dominance in the region, while Noida followed closely behind, contributing 39% to total transactions.

Gurugram's luxury residential segment has been a major contributor to the market's growth. In 2024, 38% of all primary sales were in the luxury category, defined as properties priced over INR 50 million (approximately USD 600,000).

This segment has grown significantly, with 43% of new launches in 2024 falling within the luxury bracket. This surge is attributed to high-income earners, a cosmopolitan lifestyle, and the continuing trend of international companies establishing offices in the region.

Although Noida's residential market has traditionally lagged behind Gurugram, it is now undergoing a rapid transformation. The impending operationalisation of the Noida International Airport at Jewar is expected to have a profound impact on the residential market in Greater Noida and Noida Extension.

Additionally, government-led initiatives, including industrial parks and film city developments, are creating an ecosystem conducive to growth, with strong demand forecast across the Yamuna Expressway and Noida-Greater Noida Expressway corridors.

Noida's luxury segment is also beginning to show promising growth, with high-end properties accounting for 4.3% of total primary sales in 2024.

» The Role of Government Policies

Government policies play a critical role in shaping the real estate market in Delhi NCR, particularly through land usage regulations, infrastructure development, and taxation frameworks.

One policy change likely to have a lasting impact on the sector is the revision of Land Usage and Floor Space Index (FSI) regulations, which determine the amount of built-up area developers can construct on a given plot of land and have been a focal point for both developers and investors.

As urban spaces become increasingly crowded, the government has faced pressure to revise FSI norms, which would allow for more high-rise luxury buildings in areas experiencing increased demand. This is particularly relevant in cities such as Delhi, Gurugram, and Noida, where land availability is limited, and developers are eager to maximise the value of their plots.

Additionally, participants discussed the government's focus on land consolidation policies, which aim to streamline land acquisition and improve urban planning. These are expected to play a key role in ensuring that land for new developments remains accessible and can be developed efficiently.

» Taxes & Affordable Housing

On the taxation front, discussions highlighted the impact of the Goods and Services Tax (GST) on property transactions. While the GST on real estate has been reduced in recent years, taxes on homes remain high, affecting buyer sentiment.

Developers noted that high taxes on properties have led to increased costs, which are passed on to consumers and has posed a challenge for development firms attempting to keep prices competitive while balancing tax obligations.

The possibility of reducing taxes was emphasised, which could potentially stimulate sales, though this remains uncertain as fiscal policies continue to evolve.

The government's efforts to prioritise affordable housing, through schemes like Pradhan Mantri Awas Yojana (PMAY), were also mentioned. While these schemes primarily target low- and middle-income groups, they create indirect pressure on the luxury market.

As the government strives to balance its focus between affordable and luxury housing, there have been debates on whether more affordable housing options should be made available in prime locations, potentially affecting the pricing dynamics of the high-end market.

DELHI'S LUXURY LANDSCAPE

The luxury real estate market in Delhi NCR has experienced a significant surge since the second half of 2021, largely driven by pent-up demand, accumulated savings from the pandemic, and a shift in consumer preferences towards larger homes with premium amenities.

Supporting this increased demand is a marked rise in high-ticket housing loans. Three years ago, around 44% of housing loans were under INR 5 million, but now approximately 64% exceed INR 20 million.

This shift in lending behaviour demonstrates not only the growing confidence of banks in the luxury market's sustainability but also their readiness to finance larger projects, which has further fuelled the market's expansion.

However, with this rapid growth, concerns have surfaced regarding the long-term sustainability of such price increases. With some properties experiencing steep price hikes year on year, many developers and investors are beginning to question whether this growth can persist at such a pace.

The fear is that, as the market matures, the soaring prices could lead to reduced affordability, making it difficult for a broader segment of buyers to participate, particularly as interest rates continue to rise.

While demand for luxury real estate is anticipated to remain robust, experts predict that price growth will likely slow as the market stabilises. As a result, developers are reassessing their strategies and preparing for a more sustainable pace of growth, adapting their pricing to meet long-term market realities.

» Shifting Buyer Profiles

The luxury real estate market in Delhi NCR is experiencing not just a rise in prices but also a fundamental shift in the profiles of its buyers. This change is evident as affluent Delhi residents, particularly from South Delhi, are increasingly migrating to emerging luxury hubs in Gurugram and Noida.

This shift is driven by the desire for better amenities, hassle-free living, and more spacious homes, which are now more accessible in the satellite cities. The post-COVID demand for larger homes with better community facilities, such as gyms, clubhouses, and children's and senior citizens' areas, has become more pronounced.

Another notable trend is the growing participation of Non-Resident Indians (NRIs) in the luxury real estate market. Amid global economic and political uncertainties, many NRIs are choosing to invest in properties back home, ensuring they have a base in India should they need to return.

The rising affluence of professionals across various sectors, including Information Technology (IT) and Banking, Financial Services, and Insurance (BFSI), has also increased demand for luxury properties. Many professionals in these high-paying industries have seen substantial salary increases, allowing them to consider homes priced between INR 20 million and INR 70 million.

Additionally, dual-income households, particularly those in the 23-30 age group from nuclear families, are contributing to the rise in purchasing power. These buyers, who are earning more than previous generations, are also more willing to live in the suburbs, even if it means longer commutes, driven by increased job security and financial stability.

» Impact of Infrastructure Development

Infrastructure development has played a pivotal role in driving demand for luxury real estate in Delhi NCR. Projects such as expressways, metro expansions, and commercial hubs are transforming previously underdeveloped areas into highly sought-after locations for premium housing.

The Dwarka Expressway, which connects Delhi to Gurugram, is seen as a game-changer for luxury properties, making areas once considered remote - such as Dwarka and New Gurgaon - now highly desirable for both buyers and investors.

Similarly, the Noida-Greater Noida Expressway has had a comparable impact. With enhanced road access, better connectivity to key employment hubs, and an increasing number of commercial developments, these regions have evolved from secondary options to competitive alternatives to more established luxury markets.

The expansion of the Delhi Metro, particularly the Aerocity corridor, is also contributing to the growing demand for properties in places once considered less accessible. The metro network allows potential buyers to explore luxury options further from the city centre, areas that were previously seen as less desirable due to limited transport links.

As a result, developers are increasingly targeting these infrastructure-driven locations, where the potential for growth and return on investment is high. For instance, while South Delhi and Golf Course Extension Road have long been considered the most exclusive addresses, new developments in Gurugram and Noida are beginning to challenge their dominance, offering the same level of luxury but at more competitive prices.



Image: GRI Club

» Challenges and Future Projections

As the residential real estate market in Delhi NCR continues to experience rapid growth, several key challenges and uncertainties have emerged, which could influence its future trajectory.

One significant factor discussed was the impact of economic conditions, particularly inflation and interest rates. These macroeconomic pressures could affect the purchasing power of prospective buyers, especially those in the upper-middle class who have been driving the luxury market.

For instance, the rise in interest rates could make mortgage financing more expensive, potentially reducing demand, particularly for high-ticket homes. While the market has seen a surge in buyers seeking larger homes during the pandemic, this demand could slow as affordability becomes a growing concern.

Another challenge discussed was the availability of funding for developers. Many developers are currently engaged in large-scale luxury projects, but securing financing for these developments has become increasingly difficult.

As one participant noted, “Financing for luxury projects, especially those above INR 100 million, has become more challenging, with banks focusing on joint ventures rather than direct funding.” This shift in financing strategies may result in slower project timelines, as developers become more cautious and rely on partnerships to secure the necessary capital.

Looking ahead, experts predict that the market will likely experience a slowdown in the short term. While luxury properties will continue to attract affluent buyers, price growth is expected to moderate, and demand may shift towards more affordable luxury options.



Image: GRI Club



Founded in 1998 in London, GRI Club currently brings together more than 19,000 senior executives spread across 110+ countries, operating in both real estate and infrastructure markets.

GRI Club's innovative discussion model allows free participation of all executives, encouraging the exchange of experiences and knowledge, networking, and business generation.

GRI Club Members also have access to our exclusive online platform to learn more about other members and their companies, correspond, schedule meetings, and receive unrestricted access to all GRI Club content.

CONTACT



Rodrigo Branchini

Partner | Managing Director APAC

rodrigo.branchini@griclub.org

GRI *Club*



GRI Club India



GRI Club



@griclub.apac

griclub.org